

BEFORE THE  
POSTAL RATE COMMISSION

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: POSTAL RATE AND FEE CHANGES, 1997 :  
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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

DOCKET NO. R97-1

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**FIRST SET OF INTERROGATORIES FROM UNITED PARCEL SERVICE  
TO UNITED STATES POSTAL SERVICE WITNESS BREHM  
(UPS/USPS-T21-1 through 6)**  
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(September 17, 1997)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories and requests for production of documents directed to United States Postal Service witness Brehm (UPS/USPS-T21-1 through 6).

Respectfully submitted,



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Of Counsel.

**INTERROGATORIES FROM UNITED PARCEL SERVICE  
TO UNITED STATES POSTAL SERVICE WITNESS BREHM**

**UPS/USPS-T21-1.** Please refer to page 10 of your testimony, lines 13-14, where you state that "TTS data were collected at 20 randomly selected post offices in July, 1996."

(a) Please explain the decision to survey this particular time period. Include in your explanation answers to the questions whether July is a typical month for the Postal Service and whether July is typically a low or high volume month.

(b) Please describe the sampling plan used in the selection of the 20 TTS sites, the window clerks who were monitored, and the dates and times of day on which they were monitored.

(c) Were all 20 post offices surveyed on the same day of the week?

(d) Were all 20 post offices surveyed at the same time of day?

(e) Please discuss how the data and results could be affected by selection of the month, days (within the month and days of the week), and times of day.

**UPS/USPS-T21-2.** Please discuss how the length of transactions may differ with the load factor of the post office. For instance, when there is a long line of customers waiting for service, are transactions performed more quickly than during times when there is a short line, or no line at all?

**UPS/USPS-T21-3.** Please confirm that you did not estimate the regression equation specified on page 14 of your testimony using GLS and instead, you

**INTERROGATORIES FROM UNITED PARCEL SERVICE  
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corrected your standard errors for heteroskedasticity and did not re-estimate the parameters. If not confirmed, please explain.

**UPS/USPS-T21-4.** Please confirm that t-statistics and standard errors were used to decide which regressors were to be included in the estimation and that these t-statistics and standard errors are affected by the heteroskedasticity present in your model. If not confirmed, please explain.

**UPS/USPS-T21-5.** Please confirm that the White correction was performed after refining the regression to eliminate regressors with insignificant parameter estimates. If confirmed, please discuss why the White correction to t-statistics and standard errors was not performed prior to decisions regarding which regressors were to be included in the model. If not confirmed, please explain.

**UPS/USPS-T21-6.** Please refer to page 4 of your testimony. Please confirm that November 1983 survey data were used to determine the proportion of customers that fall into the 100 percent demand side variability category and the zero percent demand side variability category. If confirmed, please discuss the validity of survey data that is almost 15 years old. Include in your answer a discussion of the possibility that consumer behavior has changed over time and what your expectations are as to how behavior may have changed. If not confirmed, please explain.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in  
accordance with section 12 of the Commission's Rules of Practice.

  
Stephanie Richman

Dated: September 17, 1997  
Philadelphia, PA